

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2002- 355-C - ORDER NO. 2003-41
JANUARY 27, 2003

IN RE: Application of Fairfield Communications,)
Inc. for a Certificate of Public Convenience)
and Necessity to Provide Local Exchange and)
Exchange Access Service to Customers)
Located in the Winnsboro Exchange)
Currently Being Served by Verizon South,)
Inc.)

ORDER *von*

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application filed by Fairfield Communications, Inc. (“Fairfield” or “Applicant”) to provide local exchange and exchange access service to customers located in the Winnsboro exchange, currently being served by Verizon South, Inc. within the State of South Carolina. Further, Fairfield requests that the Commission regulate its local exchange services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. The Application was filed pursuant to S.C. Code Ann. Section 58-9-280 (Supp. 2002) and the applicable regulations of the Commission. Subsequent to the filing of the Application, Fairfield requested expedited review and disposition of the Application.

Fairfield is a corporation organized under the laws of the State of South Carolina. The Company was incorporated in the State of South Carolina in 1979 under the name Winnsboro Cablevision, Inc. Fairfield amended its articles of incorporation in 1987 to

change the Company's name to Winnsboro-Ridgeway Cablevision., and again in 2002 to change the Company's name to Fairfield Communications, Inc.

By letter dated October 25, 2002, the Commission's Executive Director instructed the Applicant to publish a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to provide notice of the Application to any interested parties and to advise interested parties of the manner and time in which to file pleadings to participate in the docket. The Applicant filed Affidavits of Publication as proof that it had complied with the instructions of the Executive Director.

MOTION FOR EXPEDITED REVIEW

Fairfield filed a Motion for Expedited Review of its Application. In furtherance of its request for expedited review, Fairfield filed verified testimony in support of its Application to permit it to provide local exchange and exchange access service to customers located in the Winnsboro exchange, currently being served by Verizon South, Inc. After Fairfield filed its Motion for Expedited Review with the accompanying verified testimony, the Commission Staff brought the matter to the Commission for consideration.

Upon consideration of Fairfield's request for expedited review, the Commission finds that expedited review should be granted. By its request, Fairfield waives its right to a formal hearing. The Commission finds that notice of the Application was properly afforded to the public. The Commission finds that procedural due process was afforded in this matter and further finds that the Applicant makes a knowing waiver of a formal

hearing. Therefore, the Commission will consider the Application in the context of its regularly scheduled weekly meeting, with court reporter present, and for purposes of the expedited review, the Commission will deem the examination of the Application and verified testimony during the course of the Commission's regularly scheduled meeting with court reporter present as a hearing on this matter.

EXAMINATION OF THE APPLICATION AND VERIFIED TESTIMONY

According to the Application, Fairfield is requesting authority from the Commission to provide local exchange, exchange access, and ancillary services to both residential and business customers. The Company filed the verified testimony of James F. Hicklin who is Vice President and General Manager of Chester Telephone Company and Secretary/Treasurer of Fairfield Communications, Inc. Chester Telephone Company is Fairfield's parent company. Mr. Hicklin has over twenty-five years experience with Chester Telephone. He also worked with Rock Hill Telephone Company before joining Chester Telephone Company. As Vice President and General Manager of Chester Telephone, Mr. Hicklin is responsible for the day-to-day operations of the company. Chester Telephone Company is an established local exchange telephone company in South Carolina.

Hicklin provided testimony on the geographic areas that Fairfield seeks to serve and he provided testimony on the Company's technical, financial, and managerial resources to provide local exchange telecommunications services within the defined areas of South Carolina. Fairfield was incorporated in the State of South Carolina in 1979 under a different name. However, the Company amended its articles of incorporation in

2002 to change the Company's name to Fairfield Communications. Chester Telephone Company purchased Fairfield on July 31, 2002.

Regarding the area in South Carolina where Fairfield seeks to provide its services, Hicklin testified that the Company seeks authority to provide its services to customers in the Winnsboro exchange area currently being served by Verizon South, Inc.

Hicklin presented testimony on the Company's technical and managerial resources to provide local telecommunications services in South Carolina. As Fairfield's parent and sole shareholder, Chester Telephone Company will, through its officers and directors, manage Fairfield. Hicklin testified that the directors and officers of Chester Telephone Company have extensive experience in the telecommunications industry, including a substantial base of operational, technical, and financial experiences as it relates to operating local exchange companies and other telecommunications operations in South Carolina.

The record reveals that Joseph M. McElwee is the President and Chief Executive Officer of Chester Telephone Company. Mr. McElwee has served as President for thirty-five years. Prior to serving as President, Mr. McElwee worked for Southern Bell. David C. Wylie, Jr. is the Vice President of Chester Telephone Company. Mr. Wylie served as the Clemson Extension Chester County Agent and other capacities with the Extension Service over a period of twenty-five years.

Hicklin also presented testimony regarding the financial resources of the Company. He testified that the financial statements which were submitted with the Application demonstrate that Chester Telephone Company and its subsidiaries are

financially sound. Hicklin also stated that Chester Telephone Company has operated telecommunications operations in South Carolina for over one hundred years and has substantial plant and facilities in the State.

The testimony also reveals that the granting of Fairfield's application will serve the public interest. Hicklin testified that the Company will enhance competition in the State of South Carolina by offering additional service offerings and high quality service to South Carolina telecommunications consumers. Additionally, the testimony states that Fairfield will actively participate in the support of universally available telecommunications services at affordable rates. Finally, Hicklin testified that the service provided by Fairfield will meet all service standards that the Commission may adopt, and the provision of the service will not adversely impact the availability of affordable local exchange service in South Carolina.

The Company also requests that the Commission regulate its local exchange telecommunications services in accordance with the principles and procedures established for flexible regulation in Order No. 98-165 in Docket No. 97-467-C. Specifically, Fairfield requests that the Commission adopt for Fairfield a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels. Further, Fairfield requests that its tariff filings be presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filings, in which case such tariff filings would be suspended pending further order of the Commission, and that any tariff filing will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

Upon review and consideration of the Application, the verified testimony of Mr. Hicklin, and the applicable law, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Fairfield is a corporation organized under the laws of the State of South Carolina. Fairfield is a wholly owned subsidiary of Chester Telephone Company, which holds a certificate of public convenience and necessity from this Commission authorizing it to provide local exchange, exchange access, and ancillary services to customers located in its service area.

2. Fairfield has the managerial, technical, and financial resources to provide the services as described in its Application. S.C. Code Ann. Section 58-9-280 (B)(1) (Supp. 2002).

3. The Commission finds that Fairfield's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280 (B)(3) (Supp. 2002).

4. The Commission finds that Fairfield will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280 (B)(4) (Supp. 2002).

5. The Commission finds that Fairfield will provide services which will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280(B)(2) (Supp. 2002).

6. The Commission finds that the provision of local exchange service by Fairfield "does not otherwise adversely impact the public interest." S.C. Code Ann. Section 58-9-280 (B)(5) (Supp. 2002).

CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Fairfield to provide local exchange and exchange access service to customers located in the Winnsboro exchange, currently being served by Verizon South, Inc.

2. Fairfield shall file, prior to offering local exchange services in South Carolina, its final tariff of its local service offerings comporting with South Carolina law in all matters. Fairfield's local telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 98-165 in Docket No. 97-467-C.

Specifically, the Commission adopts for Fairfield's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels that will have been previously approved by the Commission. Further, Fairfield's local exchange service tariff filings are presumed valid upon filing, subject to the Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case the tariff filing would be suspended pending further Order of the Commission. Further, any such tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

3. Fairfield shall resell or utilize the services or facilities of only those companies authorized to provide telecommunications services in South Carolina by this Commission.

4. Fairfield shall conduct its business in compliance with Commission decisions and Orders, both past and future, including, but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

5. Title 23, Chapter 47, South Carolina Code of Laws Ann., governs the establishment and implementation of a Public Safety Communications Center," which is more commonly known as a "911 system" or "911 service." Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs Fairfield to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with the appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Accompanying this Order is an information packet from the South Carolina Chapter of the National Emergency Number Association ("SC NENA") with contact information and sample forms. The Company may also obtain information by contacting the E911 Coordinator at the Office of Information Resources of the South Carolina Budget and Control Board. By this Order and prior to providing services within South Carolina, Fairfield shall contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has

its own 911 system, and shall provide information regarding the Company's operations as required by the 911 system.

6. Fairfield shall file annual financial information in the form of annual reports and gross receipt reports as required by the Commission. The annual report and the gross receipt report will necessitate the filing of intrastate information. Therefore, Fairfield shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form the Company shall use to file annual financial information with the Commission can be found at the Commission's website at www.psc.state.sc.us/forms/default.htm. This form is entitled "Annual Report for Competitive Local Exchange Carriers" and consists of four pages. Additionally, Fairfield shall file with the Commission a quarterly report entitled "CLEC Service Quality Quarterly Report." The proper form for this report is found on the Commission's website at www.psc.state.sc.us/forms/default.htm.

7. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours.

Fairfield shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form the Company shall use to file this authorized utility representative information can


be found at the Commission's website at www.psc.state.sc.us/forms. This form is entitled "Authorized Utility Representative Information." Further, the Company shall promptly notify the Commission in writing if the representatives are replaced. Fairfield shall also file with the Commission, with its Final Tariff, a copy of its general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2000).

8. Fairfield shall file annually the Intrastate State Universal Service Fund (USF) worksheet due August 15 for calendar and fiscal year ending companies.

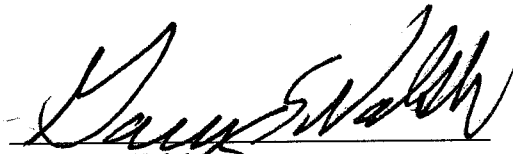
9. The Federal Communications Commission (FCC) in July of 2000 required all telecommunications carriers throughout the United States to implement three-digit, 711, dialing for access to all Telecommunications Relay Services (TRS). The Commission issued a memorandum in March of 2001 instructing all South Carolina telecommunications carriers to implement the service completely by October of 2001. All competitive local exchange carriers (CLECs) and incumbent local exchange carriers (ILECs) were instructed to include language in their tariffs introducing 711 as a new service offering with deployment by July 1, 2001, and to translate 711 dialed calls to 1-800-735-2905. All Payphone Service Providers (PSPs) were instructed to modify their programmable phones to translate calls dialed as 711 to the assigned TRS toll free number 1-800-735-2905 in order to route 711 calls to the TRS provider before October 2, 2001. Additionally, telephone directories were required to be updated and bill inserts promoting 711 were also required. This Company must comply with the applicable mandates. For complete information on compliance with this FCC and Commission requirement, go to the Commission's website at www.psc.state.sc.us/forms.

10. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Mignon L. Clyburn
Chairman

ATTEST:


Gary E. Walsh
Executive Director

(SEAL)